

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Mortgages of Michigan, Inc.
8366 Golfside Dr.
Jenison, MI 49428

Enforcement Case No. 07-5255

Maria G. Bilot, President

Respondents

Issued and entered,
on 26 November 2007
by Frances K. Wallace,
Chief Deputy Commissioner

CONSENT ORDER

I.
BACKGROUND

Mortgages of Michigan, Inc. is a Michigan domiciled corporation, organized under the laws of the state of Michigan, that has made application for licensure as a mortgage broker under the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* Mortgages of Michigan, Inc. also submitted an application for a mortgage broker registration under Section 3(1) of the Secondary Mortgage Loan Act, 1981 P.A. 125, as amended, MCL 493.51 *et seq.* Maria G. Bilot is the sole officer/director/shareholder of Mortgages of Michigan, Inc. Mortgages of Michigan, Inc. and Maria G. Bilot are referred to herein as "Respondents." Respondents are not presently licensed

by the Office of Financial and Insurance Services ("OFIS") pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. A review of the past practices of Mortgages of Michigan, Inc. and Ms. Bilot revealed that Respondents were already conducting mortgage-related activities, which require licensure as a mortgage broker under the MBLSLA. Respondents and OFIS staff have conferred and have agreed to resolve this matter according to the terms set forth below.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Ms. Bilot is presently a senior mortgage advisor/loan officer for CS Financial Services, LLC (CS Financial). Ms. Bilot has been a loan officer for CS Financial since September 2004. CS Financial is a licensed mortgage broker in the state of Michigan.

2. Maria Bilot provided OFIS staff with a 2004 Form 1099 which shows that CS Financial paid Maria Bilot \$8,188.50.

3. Maria Bilot provided OFIS staff with a 2006 Form 1099 which shows that CS Financial paid Maria Bilot \$10,436.63.

4. Maria Bilot also provided OFIS staff with a 2005 Form 1099 from CS Financial payable to Mortgages of Michigan, Inc. in the amount of \$14,287.00.

5. Respondents received the foregoing compensation for originating mortgage loans on behalf of CS Financial.

6. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registration.

7. Section 2(3) of the MBLSLA prohibits a residential mortgage loan originator (also known as a loan officer) from receiving directly or indirectly any compensation, commission, fee, points or other remuneration from a mortgage broker, mortgage lender, or mortgage servicer

other than his/her employer.

8. Based on the forgoing, Respondents have conducted business as loan originators without the requisite license or registration certificate required under Section 2 of the MBLSLA.

III. ORDER

It is ORDERED that:


1. Respondents shall cease and desist violating Section 2 of the MBLSLA.
2. Respondents shall pay to OFIS an applicable civil penalty of \$1,000. The fine shall be paid within 30 days of the date of entry of this Order.
3. Maria G. Bilot, as the sole officer/director/shareholder of Mortgages of Michigan, Inc., shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity conducted by Mortgages of Michigan, Inc.
4. Maria G. Bilot, as the sole officer/director/shareholder of Mortgages of Michigan, Inc., shall educate herself and all employees of Mortgages of Michigan, Inc. with respect to all state and federal consumer laws and regulations, including the MBLSLA.
5. Maria G. Bilot shall review and ensure that Mortgages of Michigan, Inc. complies with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS's position on employees and branch offices in Michigan.
6. Maria G. Bilot, as the sole officer/director/shareholder of Mortgages of Michigan, Inc., shall immediately designate a compliance officer for Mortgages of Michigan, Inc., and provide written notification to OFIS of the compliance officer's name and business address, to ensure that Mortgages of Michigan, Inc. is in compliance with all applicable state and federal

laws. Maria G. Bilot's written notice designating a compliance officer shall accompany the payment of a civil fine as provided for in Paragraph 2 of this Order. Maria G. Bilot, as the sole officer/director/shareholder of Mortgages of Michigan, Inc., shall notify OFIS of any change in designation of the compliance officer within 30 days of such re-designation.

7. Maria G. Bilot, as the sole officer/director/shareholder of Mortgages of Michigan, Inc., shall not utilize independent contractors for mortgage loan origination unless they are: 1) licensed or registered under the MBLSLA; 2) exempted from the MBLSLA under Section 25; or 3) licensed as a class I licensee under the Consumer Financial Services Act.

The Chief Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary, and appropriate in accordance with the provisions of the MBLSLA. Failure by Maria G. Bilot and Mortgages of Michigan, Inc. to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

Dated: 26 November 2007



Frances K. Wallace
Chief Deputy Commissioner